EURO-MED LABORATORIES PHIL., INC.

MANUAL
ON
ANTI-MONEY LAUNDERING

2002

MANUAL ON ANTI-MONEY LAUNDERING

The Board of Directors of Euro-Med Laboratories Phil., Inc. hereby commit themselves to the principles contained in this Manual.

CHAPTER I
OBJECTIVE

The Company may, wittingly or unwittingly, be involved in the money laundering process of third parties. This Manual intends to reduce the possibility of said third parties utilizing the Company, or any portion of the organization, for any money laundering activities by providing measures to safeguard against the same.

CHAPTER II
DEFINITION

Money Laundering is a process intended to mask the benefits derived from serious offenses or criminal conduct as described under Republic Act No. 9160, otherwise known as the "Anti-Money Laundering Act of 2001" (the "Act"), so that they appear to have originated from a legitimate source.

CHAPTER III
BASIC PRINCIPLES & POLICIES

The Company shall reduce the possibility for money laundering in its business by applying the following principles:

3.1 Know your business/contractual associates. The Company shall obtain satisfactory evidence of the identity of entities that it transacts business with.

3.2 Compliance with laws: The Company shall ensure that business is conducted in conformity with high ethical standards, that laws and regulations are adhered to, and that service is not provided where there is good reason to believe that transactions are associated with money laundering activities.

3.3 Cooperation with law enforcement agencies: Within the legal constraints relating to customer confidentiality, the Company shall co-operate fully with law enforcement agencies. This includes taking appropriate measures allowed by law if there are reasonable grounds for suspecting money laundering. Disclosure of information by the Company for the purposes of the Act regarding suspicious transactions shall be made to Executive Director, Anti-Money Laundering Council, Securities and Exchange Commission (the "SEC").

CHAPTER IV
KNOW YOUR BUSINESS ASSOCIATES

4.1 In transactions involving the sale by the Company of its products, services, shares of stock or other securities or even in the occasional sale of its assets.

4.1.1 Before establishing a business relationship, a company search and/or other commercial inquiries shall be made to ensure that the individual, partnership, corporate/other business entity has not been, or is not in the process of being dissolved, struck off, wound-up or terminated. In the event of doubt as to the identity of the individual or partners, company or its directors, a search or inquiry with the SEC or the relevant Supervising Authority/Regulatory Agency shall be made.

4.1.2 The Company shall obtain satisfactory evidence of the true and full identity, representative capacity, domicile, legal capacity and business purposes, as well as other identifying information on those entities.

4.1.3 For individuals, companies, businesses or partnerships registered outside the Philippines, comparable documents are to be obtained.

4.1.4 In case of significant changes to the company structure or ownership of such partnerships, corporate entity(ies), or suspicions are aroused by any other event, further checks are to be made on the identities of the owner or the new owners, as the case may be.

4.1.5 In the public offering of its shares of stock, the Company should engage reputable underwriters/financial institutions to assist in the contemplated sale. The Company shall be justified in relying upon the representations of a reputable underwriter/financial institution.

4.1.6 The Company shall take particular care in transacting with unknown entities via the internet, post or telephone or other such other instances which may give rise to verification without face-to-face contact.

4.1.7 The following are a number of checks which can be used by the Company to verify identity of individuals transacting business with the Company when there is no face-to-face contact:

- telephone contact with the individual independently verified home or business number;
- confirmation of the address through an exchange of correspondence or by other appropriate methods.
- due diligence inquiries regarding the possibility of money laundering activities

4.2 When the Company acquires the business of another company, either in whole or as a product portfolio, it is not necessary for the identity of all existing customers to be re-identified, provided that:

4.2.1 all customer account records are acquired with the business; and

4.2.2 due diligence inquiries do not raise any doubt as to whether the anti-money laundering procedures previously adopted by the acquired business have satisfied Philippine requirements.

4.3 If during the business relationship, the Company has reason to doubt:

4.3.1 the accuracy of the information relating to the entity's identity;

4.3.2 that the entity is the beneficial owner; or

4.3.3. if there are any signs of unreported changes.

the Company shall take further measures to verify the identity of the entity or the beneficial owner, as applicable. Such measures may include the following:

i. referral of names and other identifying information to criminal investigating authorities;

ii. review of disciplinary history and disclosure of past relevant sanctions.

CHAPTER V
COMPLIANCE WITH LAW

5.1 The Audit Committee required by law, shall take measures to ensure that the above-stated principles are observed in all transactions of the Company and shall be part of its report to the Board of Directors.

5.2 Management, through its human resource department officer or such other officer in charge of the Company's personnel matters, shall ensure that employees occupying positions that deal with such third parties on behalf of the Company shall be briefed on the principles enunciated in this Manual.

CHAPTER VI
EFFECTIVITY

6.1 This Manual shall take effect upon approval of the Board of Directors of the Company.